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Message Text

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17
ACTION EB-07

INFO OCT-01 EA-07 IO-10 ISO-00 AGR-05 CIAE-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 COM-02 SS-15 NSC-05 SSO-00 INRE-00 NSCE-00 L-03

/077 W
---------- 029036
O R 290325Z SEP 75
FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 7968
USDEL GENEVA

LIMITED OFFICIAL USE MANILA 13643

E.O. 11652: N/A
TAGS: ETRD, RP
SUBJECT: TEXTILE AGREEMENT - EXCHANGE OF NOTES

GENEVA FOR PHALEN

REF: (A) STATE 213754; (B) MANILA 12814; (C) MANILA 12338

SUMMARY

INDUSTRY SECRETARY PATERNO HAS PROPOSED TO PROCEED WITH THE EXCHANGE OF NOTES, WITH AN EXPRESSION OF UNDERSTANDING IN GOP REPLY RE CONSULTATIONS ON SPECIFIC CEILINGS (EXACT TEST BELOW). EMBASSY INTENDS TO COMPLETE THE EXCHANGE IN TIME FOR THE AGREEMENT TO ENTER INTO FORCE BY OCT. 1, UNLESS DEPT OBJECTION TO THIS PROCEDURE RECEIVED BY OOB SEPT 30. END SUMMARY

1. EMBASSY HAS BEEN INFORMED THROUGH NUMBER OF CHANNELS IN THE PAST FEW DAYS THAT THE HOLDUP ON COMPLETING THE EXCHANGE OF NOTES WAS DELAY IN PRESIDENTIAL SIGNATURE OF THE NECESSARY LETTER OF INSTRUCTION (LOI) AUTHORIZING
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SIGNATURE. THIS LOI, WE ARE TOLD, ALSO CONTAINS

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AUTHORITY TO ESTABLISH A 10-MAN COMMITTEE OF TRADE
AND GOVERNMENT REPS TO OVERSEE IMPLEMENTATION OF US/RP
BILATERAL. DEBATE OVER UTILITY AND MAKEUP OF COM-
MITTEE HAS DELAYED MATTERS IN ITS OWN RIGHT WHILE,
NO DOUBT, GIVING A LEVER TO INDUSTRY ELEMENTS WHO
OPPOSE SIGNATURE OF THE AGREEMENT.

2. ECON/COMMERCIAL COUNSELOR MET SEPT. 27 WITH INDUSTRY
SECRETARY PATERNO TO SEE IF SIGNING AUTHORITY COULD BE
UNBLOCKED. AFTER MUCH BACKING AND FILLING, WHICH
UNCUSTOMARY FOR HIM, PATERNO MADE IT VERY CLEAR THAT ACTING
FINANCE SECRETARY PIO DE RODA HAD GIVEN USG THE WRONG
SIGNAL ON THE ISSUE OF CONSULTATIONS AS POSED BY SIDE
LETTER (REF B). THE PRESIDENT, SAID PATERNO, HAS AGREED
TO AUTHORIZE CONCLUSION OF THE AGREEMENT, QUOTE ONLY ON
THE BASIS THAT CONSULTATIONS ON SPECIFIC CEILINGS WOULD
BE POSSIBLE. UNQUOTE ENCON/COMMERCIAL COUNSELOR REPLIED
THAT WHILE THERE WAS NO REPEAT NO DOUBT THAT CONSULTATIONS
ON ANY SIGNIFICANT ISSUE ARISING UNDER THE AGREEMENT
WOULD ALWAYS BE POSSIBLE, THE IDEA OF A CONFIDENTIAL SIDE
LETTER WAS ANATHEMA IN USG, AND THERE WERE STRONG
RESERVATIONS ABOUT A PUBLISHED LETTER, ESPECIALLY IN THIS
CASE BECAUSE IT WAS BELIEVED THE ISSUE OF CONSULTATIONS
WAS AMPLY TREATED IN THE TEXT.

3. PATERNO INSISTED THAT GOP NEEDED SOME SORT OF
ADDITIONAL ASSURANCE ON THE POINT, AND HE SUGGESTED THAT
GOP REPLY TO U.S. NOTE CONTAIN A STATEMENT ALONG THE
FOLLOWING LINES. QUOTE IT IS THE UNDERSTANDING OF MY
GOVERNMENT THAT NOTHING IN THE FOREGOING AGREEMENT EXCLUDES
THE POSSIBILITY OF CONSULTATIONS, AT THE INSTANCE OF EITHER
GOVERNMENT, ON SPECIFIC CATEGORY LIMITATIONS ESTABLISHED
THEREBY. UNQUOTE PATERNO SAID THAT IF THIS APPROACH WAS
ACCEPTABLE TO USG, HE THOUGHT THE WAY WOULD BE CLEAR FOR
SIGNATURE AND ENTRY INTO FORCE BY OCT. 1.

4. RECOMMENDATION AND ACTION REQUESTED. EMBASSY BELIEVES
THAT PATERNO SUGGESTION IS THE LEAST TROUBLESOME WAY TO
DEAL WITH CONSULTATIONS ISSUE, AND SO LONG AS IT IS
STATED AS AN UNDERSTANDING, NOT REPEAT NOT A RESERVATION,
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IT IS RECOMMENDED THAT WE GO ALONG WITHOUT REPLYING TO THEIR
"UNDERSTANDING". THEREFORE, UNLESS EMBASSY HEARS TO THE
CONTRARY BY OOB SEPT 30, WE INTEND TO PROCEED WITH THE
EXCHANGE OF NOTES.
SULLIVAN

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, DIPLOMATIC NOTES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA13643
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750336-0615
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975096/aaaaaepe.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 213754, 75 MANILA 12814, 75 MANILA 12338
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUN 2003 by CunninFX>; APPROVED <04 NOV 2003 by CunninFX>
Review Markings:

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US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEXTILE AGREEMENT - EXCHANGE OF NOTES GENEVA FOR PHALEN
TAGS: ETRD, RP, US
To: STATE GENEVA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006